International Bank of Commerce in Laredo Tops Minority Listing

deregulatory atmosphere. The largest women-owned bank has followed a course of aggressiveness and growth. Its assets rose 51.7% to $38.8 million in 1983; deposits were up 61.7% to $34.4 million, and net loans jumped 48.2% to $19.1 million.

Women's Bank, according to Ms. Orullian, "defined a good market, with a conservative management philosophy for steady, solid growth" to account for its impressive figures. Return on assets was 1.46% in 1983 for the six-year-old bank, the seventh highest among the minority banks, and a solid indicator of performance for any bank.

The Benefits of Deregulation

Along with the maturing of bank management, Mr. Homer cites two other reasons for the overall strong performance of the minority-owned institutions: greater cooperation between minority institutions, and, because of deregulation, the banks have been able to take "greater advantage of their specialized niches."

Though stating that "deregulation poses some threat to minority banks," Mr. Homer says that "in the long run, the well managed banks will survive" and prosper. The NBA president believes that since deregulation, "the larger banks have de-emphasized their branch networks to cross state lines" which has worked in the minority bank's favor.

"The big banks are fighting over the high net worth customer. They aren't really interested in retail banking. They are closing down branches in minority areas and are actually proving to be less competition for minority banks."

Further, Mr. Homer feels that with product deregulation, a small bank, with a solid customer base, "can take the low-yield customer — say, someone who has $500 in a savings account — and sell him or her more products to make their banking relationship with us more profitable. We could sell insurance or brokerage services on a franchise basis."

Ms. Orullian feels that institutions such as hers also have a responsibility to serve as an educational source for their communities. She views the entry of nonbanks into the commercial banking field as "dangerous to the public" because, though their products may offer higher yields, these institutions often lack insurance protection.

The Decline of American Cities

Perhaps one of the most crushing problems faced by the minority institution is the ongoing decline of American cities, compounded by benign neglect from the local to the federal level.

Despite the flurry of building construction going on in many cities, very little of the investments are made by the community-based institution, which leads to the flight of capital from the area where all the "revitalization" is occurring.

In his book, "America's Cities: A Report on the Myth of Urban Renaissance," published by Simon and Schuster this year, Michael C.D. MacDonald notes that despite massive office building construction in cities like Dallas, Miami, Atlanta, and New York, just a few blocks away from these shining commercial centers, lie shanty towns, "cancerous slums," and an unemployed, untrained population.

Serafin Mariel, president of New York National Bank, the Bronx, calls for a program that brings in business as opposed to deposits. "Local, state, and federal governments should sit down and talk with community banks to assist in economic development. For community projects, the community banks should get a shot at financing them because they have an interest in the community. The way to make money is to improve the economics of the area."

Mr. Mariel admits that it can be difficult for the government and the private sector to deal with minority-owned banks because of their size, but he feels with consortium lending, they and other community banks can handle the needs of business. Community banks, he notes, have a "stable source of money, and with a lower cost of funds we can lend at competitive rates.

"The minority/community bank is going toward economic development and away from social work. We are at the point where we don't want handouts from the government, but we could use hand ups."

New York National, a Hispanic-American/Black-owned bank, has been in business for 30 months. And after starting out with $6.2 million in assets, as of June 30 of this year, assets had risen to $40 million and capital was in excess of $3 million.

Mr. Homer sounded a similar theme: "The money that comes from local communities should be recycled back into the area. There is a need to stimulate economic growth in the community."

Learning to Move Quickly

Roger Smith, president of the First Bank NA, Cleveland, the largest black-owned bank at yearend 1983 with $148.4 million in assets, believes the deregulation era presents "a big challenge to the minority banking group." He explains: "Minority banks have to become more sophisticated, from management to the support groups. Deregulation will force us to recognize our weaknesses and to act upon them more quickly."

It is in the area of change that the small bank has a distinct advantage over the big banks. "We don't have several tiers of management," Mr. Smith said. "Committees don't decide everything. We have a core of talent that will help us to change in midstream."

Mr. Mariel believes some of the success that the minority-owned institutions have enjoyed is due to a switch in business strategy. "We've moved away from service to our constituency to a focus on growth. There's been a realization that we need a business plan. We are here to make money."

He says that many institutions have "stopped looking at themselves as strictly a minority bank. Now they are looking at themselves as community banks and are segmenting their markets."

There have been suggestions that minority banks limit their potential by

➡ Minorities: Page 10

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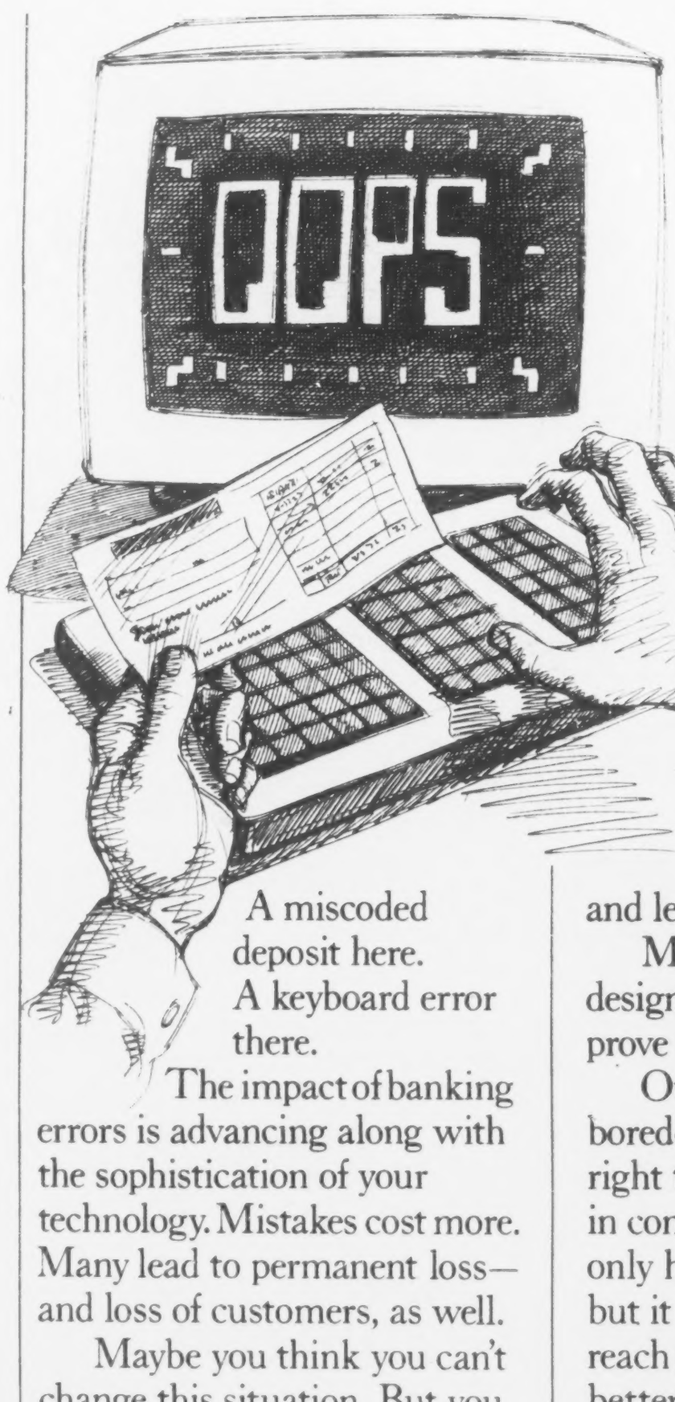

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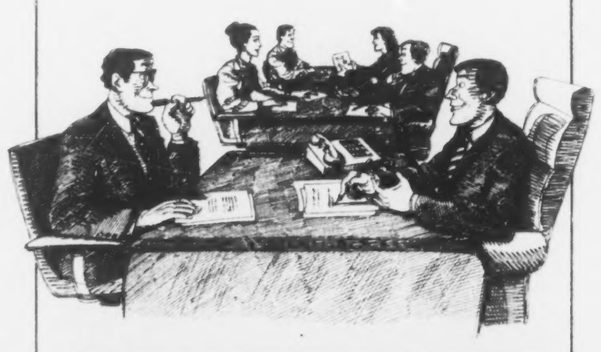

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Minorities . . .

Continued from Page 9

maintaining names that immediately identify them as such an institution, producing an uncertainty among the mainstream customer.

But Mr. Smith says that "identification as a minority bank is a plus. It helps us to compete through programs available" from the federal, state, and local governments. "Without the classification it would be more difficult to compete."

Ms. Orullian doesn't believe there are any disadvantages to identifying her bank as a women's bank and intends to keep the name as it is. "I don't see a name change as valid. It is very advantageous to be a women's bank. We have a positive market image and we are very broad based. There's no reason to move from our original concept."

In fact, several officers said that because they are small, community-based institutions, they are at least as capable as the giants to handle the shifting trends of deregulation. And they even welcome the opportunity to take on the larger, multiregional banks.

• Of the 105 minority-owned commercial banks, 22 have formed holding companies, 16 have been in existence at least 20 years, and 17 were formed in the last five years.

• The three oldest minority-owned commercial banks are: Consolidated Bank & Trust Co., Richmond, Va. The bank opened for business on July 31, 1903, and has assets of $43.3 million and ROA of 1.13; Citizens Savings Bank & Trust Co., Nashville, Tenn., which has operated since Jan. 4, 1904, reported assets of $36.9 million and ROA of 0.13%; and Mechanics and Farmers Bank, Durham, N.C., which opened for business on March 1, 1908. The bank now has assets of $59.1 million and an ROA of 0.79%.

Since yearend 1983, several minority banks have disappeared, most of them acquired by a nonminority institution. These are:

Women's Bank, Richmond, Va., was acquired in March; Golden Gate Bank, San Francisco, was acquired in August; West Olympia Bank, Los Angeles, was closed by the Comptroller on Feb. 10; First Women's Bank of California, Los Angeles, was acquired in August; Mission Savings Association, El Paso, Tex., was acquired in June; Heritage FS&LA, Oakland, Calif., was acquired in the first half of 1984; San Marino Savings and Loan was acquired in last half of 1983; Sierra FS&LA, Denver, was acquired in the first quarter of 1984; Jefferson Savings and Loan Association, McAllen, Tex., was acquired in the last half of 1983. ■

Chemical Bank Appoints Senior Vice Presidents

NEW YORK — Michael W. Barnett, Thomas H. O'Brien Jr., and Richard M. Orr have been appointed senior vice presidents of Chemical Bank, effective Nov. 1. All are currently vice presidents.

Mr. Barnett is head of the domestic correspondent banking group, Mr. O'Brien heads the worldwide commodities and agribusiness group, and Mr. Orr is staff administrator of Chemical's metropolitan division. ■

Jackson . . .

Continued from Page 7

"As long as you can go down the street and cash a check, it's irrelevant," he said. "What is important is the quality of loans" to the minority community.

Earlier in the day, Anthony M. Solomon, retiring president of the Federal Reserve Bank of New York, had said in response to questions that "the bottom line for minority banks is that they have to respond to the markets in which they operate. I don't believe they should receive special considerations, and they probably don't either."

Mr. Jackson, however, said, "The adage that business is business is foolishness. We can't allow this nation to say a bank is a bank when our missions are different."

The minister told the bankers to see their mission as one of urban redevelopment, and to define their institutions as "development banks."

He likened those banks to black colleges, saying even though black colleges were not well endowed, "their mission is to develop black leadership. How many black leaders have come from Harvard and Yale?"

Similarly, he said, "black and hispanic banks do a better job at developing significant loans to blacks and hispanics than Continental Illinois or First (National Bank of) Chicago. The size of the bank is irrelevant; it's the mission."

He concluded that "you may be conservative in handling money, but you'd better be downright aggressive in fighting for your right to that mission."

Mr. Homer said Mr. Jackson's remarks fit the convention's theme, which is "A force within a changing economy."

"In physics," he said, "force equals mass times acceleration. With a greater rate of economic change in 1984 and a greater mass, we can be a greater force. Jesse Jackson is a significant keynote speaker because he demonstrated with his candidacy that we have a mass and can generate a force."

Mr. Homer, who is also president at Boston Bank of Commerce, said minority banks have been hurt by the Reagan administration's curtailment of a program that gives preference to their institutions in the placement of federal agency deposits.

In addition to reviving that program, Mr. Homer said his membership would benefit from expanded powers, such as the ability to sell insurance.

"We serve a loyal base of customers," he said. "Broader powers will enable us to take the unprofitable customer into a profitable area."

Mr. Solomon, the New York Federal Reserve president, advocated "a federally sanctioned approach...that would provide for an orderly transition to interstate banking."

While acknowledging that interstate banking was an unpopular notion with many in his audience, Mr. Solomon said many felt the same way about the prospect of statewide branching.

Joseph Agyeman-Gyau, NBA vice president and president of Universal Bank in Glenarden, Md., noted that Mr. Solomon's speech focused on national banking issues, rather than minority bank issues.

"Big banks can do things we can't do even before it becomes law," he told Mr. Solomon. "All I want to say is, when you're behind closed doors, think about us." ■

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The Chase Partnership

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Banks Eligible for the Government Minority Bank Deposit Program *

(Geographically Listed by State)

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As of December 31, 1983

	Assets 12/31/83	Assets 12/31/82	Deposits 12/31/83	Deposits 12/31/82	Loans 12/31/83	Loans 12/31/82	Net Inc. 12/31/83	Minority Date†
Alabama								
Commonwealth National Bank, Mobile (b)	8,091,000	8,867,000	7,034,000	7,882,000	3,026,000	2,969,000	82,000	2/19/76
Alaska								
United Bank Alaska, Anchorage (e)	303,054,000	163,434,000	259,684,000	199,607,000	210,524,000	132,830,000	4,152,000	12/22/75
California								
Cathay Bank, Los Angeles (a)	250,144,000	192,531,000	230,089,000	175,241,000	116,437,000	107,952,000	2,100,000	4/19/62
Far East National Bank, Los Angeles (a)	74,550,000	64,073,000	54,854,000	44,666,000	30,723,000	27,760,000	870,000	12/9/74
First Women's Bank of Cal., Los Angeles (g,k)	15,994,000	15,847,000	14,299,000	14,232,000	9,340,000	10,704,000	60,000	11/15/76
Los Angeles National Bank (c)	50,529,000	23,211,000	42,827,000	19,973,000	19,945,000	7,779,000	-165,000	12/18/73
Pan American Bank, Los Angeles (c)	33,906,000	30,188,000	30,851,000	26,676,000	13,176,000	16,471,000	5,000	7/1/71
United Pacific Bank, Los Angeles (a)	20,953,000	12,968,000	15,726,000	7,771,000	11,860,000	4,655,000	-48,000	5/25/83
West Olympia Bank, Los Angeles (g,i)	20,411,000	20,582,000	19,916,000	18,931,000	13,176,000	14,283,000	-1,397,000	11/26/80
Omni Bank NA, Monterey Park (a)	82,895,000	61,281,000	74,856,000	52,587,000	49,024,000	41,137,000	-23,000	4/11/80
Bank of Oakland (b)	10,214,000	6,127,000	8,687,000	4,081,000	4,907,000	1,557,000	-536,000	10/18/83
First Enterprise Bank, Oakland (b)	90,788,000	49,728,000	83,137,000	36,512,000	23,522,000	25,630,000	-807,000	6/5/72
Bank of Trade, San Francisco (a)	30,644,000	31,868,000	28,307,000	29,494,000	16,713,000	22,403,000	-14,000	2/17/78
California National Bank, San Francisco (a)	55,242,000	51,158,000	45,020,000	43,484,000	34,968,000	29,110,000	-681,000	1/7/81
Golden Gate Bank, San Francisco (g,k)	12,175,000	10,238,000	10,673,000	8,734,000	8,075,000	6,483,000	72,000	9/28/76
Mission National Bank, San Francisco (b)	18,187,000	11,381,000	14,704,000	7,895,000	9,979,000	5,191,000	15,000	10/6/83
California Security Bank, San Jose (c)	29,918,000	15,302,000	28,744,000	13,667,000	16,207,000	7,708,000	-480,000	11/8/73
Pacific Heritage Bank, Torrance (a)	23,716,000	18,157,000	19,691,000	14,384,000	10,119,000	12,216,000	131,000	3/31/82
Colorado								
Chaves Industrial Bank, Denver (c)	1,105,000	877,000	619,000	407,000	N.A.	N.A.	N.A.	11/25/83
Women's Bank NA, Denver (g)	38,791,000	25,564,000	34,441,000	21,315,000	19,109,000	12,898,000	566,000	7/14/78
Connecticut								
Connecticut Women's Bank, Greenwich (g)	19,136,000	16,714,000	16,874,000	14,413,000	12,518,000	9,027,000	95,000	4/2/77
District of Columbia								
American Indian National Bank (d)	26,099,000	26,496,000	21,890,000	22,347,000	5,781,000	5,285,000	150,000	11/15/73
Capital Bank NA (c)	45,364,000	35,030,000	39,315,000	31,427,000	21,305,000	13,952,000	238,000	6/18/74
Industrial Bank of Washington (b)	58,317,000	63,545,000	63,058,000	59,552,000	32,905,000	30,431,000	1,275,000	8/18/34
United National Bank of Washington (b)	68,446,000	50,126,000	64,121,000	45,989,000	26,235,000	24,015,000	313,000	8/31/64
Women's National Bank (g)	19,297,000	14,975,000	17,251,000	12,239,000	8,537,000	6,581,000	-494,000	5/15/78
Florida								
Century National Bank, Jacksonville (b,m)	16,717,000	19,484,000	16,527,000	18,157,000	3,348,000	5,138,000	-376,000	11/13/76
Bank of Miami (c)	349,205,000	280,876,000	289,866,000	256,471,000	137,862,000	148,386,000	739,000	12/31/70
Alliance National Bank, Miami (f)	12,448,000	N.A.	10,824,000	N.A.	3,552,000	N.A.	-170,000	3/31/83
Continental Bank, Miami (c)	94,765,000	81,301,000	81,231,000	74,356,000	33,536,000	26,441,000	304,000	5/10/74
Hemisphere National Bank, Miami (c)	25,172,000	29,327,000	22,567,000	26,940,000	9,808,000	N.A.	137,000	11/15/79
M Bank, Miami	23,000,000	N.A.	21,000,000	N.A.	N.A.	N.A.	N.A.	N.A.
People's Nat'l Bank of Commerce, Miami (b)	21,727,000	12,741,000	18,778,000	11,091,000	11,649,000	N.A.	281,000	5/20/83
Sunshine State Bank, South Miami (c)	118,366,000	69,202,000	109,628,000	58,722,000	69,592,000	47,908,000	446,000	11/3/83
Palm Beach Lakes Bank, W. Palm Beach (b)	11,600,000	5,624,000	10,425,000	5,055,000	2,298,000	1,849,000	66,000	5/29/74
Georgia								
Citizens Trust Bank, Atlanta (b)	63,705,000	60,010,000	55,144,000	50,796,000	20,554,000	N.A.	615,000	6/18/21
Carver State Bank, Savannah (b)	21,697,000	21,738,000	19,303,000	19,474,000	14,100,000	11,982,000	141,000	6/4/47
Hawaii								
Bank of Honolulu (a)	55,851,000	59,580,000	51,249,000	51,716,000	31,768,000	25,734,000	18,000	8/3/81
Bank of Maui NA, Kahului (a)	9,378,000	8,564,000	8,188,000	7,012,000	5,301,000	5,367,000	-289,000	5/9/79
Illinois								
Community Bank of Lawndale, Chicago (b)	20,606,000	18,716,000	17,385,000	15,799,000	9,254,000	8,373,000	201,000	6/20/77
Highland Community Bank, Chicago (b)	42,636,000	36,591,000	38,543,000	31,573,000	14,749,000	20,703,000	422,000	11/9/70
Independence Bank, Chicago (b)	93,418,000	84,506,000	73,408,000	69,909,000	36,760,000	25,142,000	601,000	12/14/64
Seaway National Bank, Chicago (b)	107,741,000	87,305,000	94,113,000	72,026,000	34,851,000	33,254,000	1,018,000	1/2/65
Washington National Bank, Chicago (c)	14,728,000	13,320,000	14,349,000	12,133,000	8,852,000	4,709,000	-747,000	9/19/78
Indiana								
Industrial National Bank, East Chicago (c)	7,265,000	N.A.	6,697,000	N.A.	3,684,000	N.A.	17,000	3/17/80
Midwest National Bank, Indianapolis (b)	54,329,000	42,048,000	47,423,000	34,562,000	39,740,000	29,265,000	315,000	10/3/72
Kansas								
Douglass Bank, Kansas City (b,j)	23,435,000	37,220,000	21,443,000	31,542,000	5,153,000	21,545,000	98,000	9/3/83
Kentucky								
Continental Nat'l Bank of Ky., Louisville (b)	16,279,000	13,201,000	14,951,000	11,890,000	7,906,000	6,889,000	129,000	5/22/76
Louisiana								
Liberty Bank & Trust Co., New Orleans (b)	51,836,000	40,699,000	43,465,000	34,487,000	23,071,000	21,244,000	204,000	11/16/72
Security National Bank, Shreveport (b)	18,095,000	8,384,000	13,398,000	5,208,000	8,911,000	2,422,000	239,000	9/30/82
Maryland								
Harbor Bank of Maryland, Baltimore (b)	10,076,000	5,445,000	8,213,000	3,471,000	3,476,000	141,000	-124,000	9/13/82
Universal Bank, Glenarden (b)	8,202,000	7,053,000	6,320,000	6,166,000	2,051,000	2,325,000	-22,000	7/25/78
First Women's Bank of Maryland, Rockville (g)	31,565,000	23,214,000	28,479,000	20,225,000	11,758,000	8,194,000	212,000	11/21/79
Massachusetts								
Boston Bank of Commerce(b)	12,325,000	11,362,000	9,977,000	9,238,000	2,362,000	N.A.	-1,134,000	12/3/82
Liberty Bank & Trust Co., Boston (a)	23,940,000	17,990,000	20,931,000	14,565,000	7,991,000	9,695,000	157,000	3/31/83
Michigan								
First Independence National Bank, Detroit (b)	61,019,000	39,894,000	52,926,000	35,562,000	16,572,000	17,945,000	708,000	5/14/70
Missouri								
Gateway National Bank, St. Louis (b)	16,234,000	38,200,000	14,679,000	36,709,000	8,241,000	N.A.	24,000	6/18/65
Nebraska								
Community Bank of Nebraska, Omaha (b)	9,017,000	9,500,000	7,070,000	8,469,000	5,138,000	5,446,000	84,000	4/16/73
New Jersey								
City National Bank of New Jersey, Newark (b)	53,614,000	27,002,000	49,214,000	17,186,000	9,798,000	7,391,000	311,000	6/11/73
New Mexico								
Plaza National Bank, Albuquerque (c)	18,728,000	22,200,000	17,297,000	20,567,000	9,606,000	10,765,000	12,000	8/5/75
El Pueblo State Bank, Espanola (c)	28,153,000	32,898,000	25,407,000	30,031,000	17,579,000	18,482,000	25,000	3/20/73
Western Bank, Santa Fe (c)	27,629,000	23,703,000	22,772,000	18,482,000	15,120,000	10,635,000	342,000	3/31/82
Centinel Bank, Taos (c)	31,949,000	28,300,000	28,607,000	25,147,000	20,527,000	19,310,000	184,000	3/1/69
New York								
New York National Bank (c), Bronx	19,417,000	14,724,000	16,767,000	13,124,000	10,427,000	3,644,000	100,000	3/31/82
Banco de Ponce (c,j)	192,975,000	N.A.	192,499,000	N.A.	N.A.	N.A.	N.A.	12/4/72
Banco Popular de Puerto Rico (c,j)	133,300,000	114,000,000	116,600,000	111,200,000	N.A.	N.A.	N.A.	12/4/72
Capital National Bank of New York (c)	55,388,000	28,954,000	51,311,000	26,007,000	36,438,000	15,139,000	337,000	11/15/79
First Women's Bank (g)	37,552,000	33,744,000	32,638,000	24,350,000	12,368,000	11,732,000	72,000	7/28/75
Freedom National Bank of New York (b)	91,892,000	99,257,000	65,013,000	50,342,000	40,468,000	35,481,000	121,000	12/18/64
Golden Pacific National Bank (a)	128,650,000	109,535,000	114,252,000	97,789,000	54,489,000	40,579,000	874,000	4/11/77
North Carolina								
Mechanics and Farmers Bank, Durham (b)	59,077,000	53,226,000	53,183,000	47,757,000	27,777,000	27,643,000	469,000	3/1/08
United National Bank, Fayetteville (b)	3,949,000	4,926,000	3,797,000	4,527,000	1,506,000	N.A.	-217,000	3/8/76
Greensboro National Bank (b)	12,722,000	12,922,000	11,232,000	11,157,000	5,062,000	5,257,000	-267,000	11/2/71
Lumbee Bank, Pembroke (d)	10,184,000	9,919,000	8,930,000	8,721,000	5,513,000	4,790,000	117,000	12/22/71
Ohio								
First Bank NA, Cleveland (b)	148,411,000	74,093,000	50,627,000	46,679,000	22,103,000	39,886,000	154,000	6/17/74
Unity State Bank, Dayton (b)	11,577,000	7,831,000	11,073,000	7,187,000	2,380,000	2,154,000	-108,000	8/10/70
Hamilton County State Bank, Lockland (b)	23,778,000	21,377,000	20,860,000	16,770,000	7,178,000	2,748,000	-95,000	9/19/80
Oklahoma								
Medical Center State Bank, Oklahoma City (b)	13,248,000	10,227,000	11,306,000	9,119,000	5,990,000	5,218,000	216,000	2/7/73
American State Bank, Tulsa (b)	23,614,000	11,423,000	21,809,000	9,788,000	6,013,000	5,161,000	210,000	11/9/70
Oregon								
American State Bank, Portland (b)	14,598,000	15,064,000	12,799,000	12,875,000	5,644,000	5,582,000	141,000	8/4/69
Pennsylvania								
New World National Bank, Pittsburgh (b)	9,150,000	7,287,000	8,009,000	6,247,000	1,598,000	1,803,000	78,000	3/17/75

Continued on Next Page

Banks Eligible for the Government Minority Bank Deposit Program *

	Assets 12/31/83	Assets 12/31/82	Deposits 12/31/83	Deposits 12/31/82	Loans 12/31/83	Loans 12/31/82	Net Inc 12/31/83	Minority Date†
Tennessee								
Tri State Bank of Memphis (b)	38,670,000	34,013,000	34,841,000	30,566,000	14,369,000	16,818,000	541,000	12/16/46
Citizens Savings Bank & Trust Co., Nashville (b)	36,927,000	30,269,000	34,402,000	27,631,000	18,694,000	N.A.	47,000	1/4/04
Texas								
Brownsville National Bank (c)	45,987,000	37,761,000	41,221,000	32,754,000	20,780,000	22,513,000	602,000	8/23/74
Nueces National Bank, Corpus Christi (c)	17,804,000	14,779,000	13,199,000	12,857,000	7,339,000	6,694,000	197,000	1/2/73
First Texas Bank, Dallas (b)	59,422,000	44,597,000	51,254,000	38,024,000	34,322,000	23,270,000	970,000	3/17/78
Pan American National Bank, Dallas (c)	43,999,000	48,670,000	39,150,000	39,783,000	19,558,000	10,682,000	1,236,000	5/2/74
Sunbelt National Bank, Dallas (b)	3,240,000	N.A.	1,655,000	N.A.	99,000	N.A.	-130,000	9/30/83
Continental National Bank, El Paso (c)	54,396,000	63,060,000	49,652,000	57,090,000	15,828,000	38,018,000	-96,000	9/16/74
Asian American National Bank, Houston (a)	9,811,000	N.A.	7,836,000	N.A.	6,192,000	N.A.	-501,000	12/5/83
Riverside National Bank, Houston (b)	20,975,000	18,339,000	19,089,000	16,304,000	9,431,000	8,162,000	-155,000	8/16/63
International Bank of Commerce, Laredo (c)	364,141,000	323,500,000	338,523,000	275,459,000	134,207,000	158,574,000	3,837,000	7/27/78
South Texas National Bank, Laredo (c)	32,352,000	29,507,000	30,466,000	28,019,000	11,319,000	11,055,000	258,000	9/6/78
Metropolitan National Bank, McAllen (c)	24,092,000	22,027,000	21,592,000	19,408,000	16,814,000	13,798,000	290,000	11/17/72
Plaza Bank NA, San Antonio (c)	15,776,000	19,507,000	14,678,000	18,207,000	6,573,000	9,779,000	330,000	5/20/76
City National Bank, Weslaco (a)	12,811,000	13,136,000	10,573,000	10,699,000	7,116,000	8,539,000	55,000	9/30/83
Zapata National Bank (c)	40,543,000	36,585,000	36,870,000	33,014,000	22,470,000	16,768,000	520,000	6/29/79
Virginia								
First State Bank, Danville (b)	14,573,000	14,121,000	11,581,000	11,533,000	7,035,000	6,827,000	334,000	9/8/19
Atlantic National Bank, Norfolk (b)	17,123,000	13,255,000	15,655,000	11,955,000	9,948,000	8,927,000	128,000	9/8/71
Consolidated Bank & Trust Co., Richmond (b)	43,287,000	37,930,000	39,096,000	34,285,000	25,608,000	23,645,000	488,000	7/31/03
Women's Bank, Richmond (g,l)	20,002,000	17,255,000	17,494,000	12,474,000	9,114,000	9,086,000	52,000	2/14/77
Washington								
Liberty Bank, Seattle (b)	16,955,000	11,861,000	15,444,000	10,436,000	6,020,000	5,244,000	95,000	5/31/68
Wisconsin								
North Milwaukee State Bank (b)	15,796,000	14,701,000	12,781,000	10,810,000	6,021,000	3,617,000	104,000	2/12/71
American Samoa								
Amerika Samoa Bank, Pago Pago (f)	14,042,000	8,860,000	12,146,000	7,197,000	N.A.	N.A.	N.A.	N.A.
Guam								
Bank of Guam, Agana (a)	159,882,000	119,659,000	139,480,000	109,460,000	N.A.	N.A.	N.A.	N.A.

* — Data obtained from Federal Reserve Board and Polk's Bank Directory. † — Date bank became eligible for the Program. **Minority types: (a)** — Asian-American owned. **(b)** — Black owned. **(c)** — Hispanic-American owned. **(d)** — Native American owned. **(e)** — Native American, Eskimo, Aleut owned. **(f)** — Multiracial owned. **(g)** — Women owned. **(h)** — Closed by Comptroller of the Currency 2/10/84. **(i)** — Only the New York branches meet Program eligibility requirements. **(j)** — Formerly Douglass State Bank. Declared insolvent 9/3/83 and reopened as Douglass Bank. **(k)** — Acquired in August by local investors. No longer a minority institution. **(l)** — Merged with First Virginia Bank, Richmond, in March. **(m)** — Declared insolvent 9/20/84. Reopened as branch of Barnett Bank of Jacksonville NA.

Top Minority-Owned Institutions

Listed by Assets, Net Income, and Minority Type.

Ten Largest Minority Institutions — by Assets

	12/31/83
United Bank, SSB, San Francisco	415,976
International Bank of Commerce, Laredo, Tex.	364,141
United Bank Alaska, Anchorage	303,054
Westwood Savings & Loan Assn., Los Angeles	255,000
Cathay Bank, Los Angeles	250,144
Gateway Savings & Loan Assn., Oakland	200,977
Banco de Ponce, New York	192,975
East-West Federal Bank FSB, San Marino	182,128
Presidio Savings & Loan Assn., Porterville	165,276
Bank of Guam, Agana	159,882

Ten Largest Minority Institutions — by Net Income

	12/31/83
Westwood Savings & Loan Assn., Los Angeles	8,900
United Bank Alaska, Anchorage	4,152
International Bank of Commerce, Laredo, Tex.	3,837
Presidio Savings & Loan Assn., Porterville	3,205
United Bank SSB, San Francisco	3,012
Cathay Bank, Los Angeles	2,100
Camino Real Savings & Loan Assn., San Fernando	2,035
Industrial Bank, Washington, D.C.	1,275
Standard Savings & Loan Assn., Los Angeles	1,265
Pan American National Bank, Dallas	1,236

Largest Minority Commercial Banks — by Type

	by Assets 12/31/83
Largest Asian-American Banks	
Cathay Bank, Los Angeles	250,144
Golden Pacific National Bank	128,650
Omni Bank NA, Monterey Park	82,895
Far East National Bank, Los Angeles	74,550
Bank of Honolulu	55,851
Largest Black Banks	
First Bank NA, Cleveland	148,411
Seaway National Bank, Chicago	107,741
Independence Bank, Chicago	93,418
Freedom National Bank of New York	91,892
First Enterprise Bank, Oakland	90,788
Largest Hispanic-American Banks	
International Bank of Commerce, Laredo	364,141
Bank of Miami	349,025
Banco de Ponce	192,975
Banco Popular de Puerto Rico	133,300
Sunshine State Bank, South Miami	118,366
Largest Native American, Eskimo, and/or Aleut Banks	
United Bank Alaska, Anchorage	303,054
American Indian National Bank	26,099
Lumbee Bank, Pembroke	10,184
Largest Women's Banks	
Women's Bank NA, Denver	38,791
First Women's Bank, New York	37,552
First Women's Bank of Maryland, Rockville	31,565

Significant Ratios for Selected Minority-Owned Commercial Banks

As of December 31, 1983
(Listed by Return On Total Assets)

	ROA	ROE	% Loans to Tot Dep	% Gov. Dep to Tot. Dep
Pan American Nat'l Bank, Dallas (a)	2.81	28.78	50.0	0.9
First State Bank, Danville, Va. (a)	2.29	13.47	60.8	1.9
Plaza Bank NA, San Antonio, Tex. (a)	2.09	32.93	44.8	28.5
Industrial Bank, Washington D.C. (a)	1.87	31.54	52.2	2.0
Medical Ctr. St. Bk., Oklahoma City (a)	1.63	20.97	53.0	16.7
First Texas Bank, Dallas (a)	1.63	18.98	67.0	1.7
Women's Bank NA, Denver (a)	1.46	13.92	55.5	16.4
Tri-State Bank, Memphis, Tenn. (a)	1.40	16.78	41.2	9.5
United Bank Alaska, Anchorage (a)	1.37	15.80	81.1	34.7
Security NB, Shreveport, La. (b)	1.32	6.39	66.5	39.6
Brownsville National Bank, Texas (a)	1.31	15.12	50.4	2.5
Victory Svgs Bank, Columbia, S.C. (a)	1.29	18.42	55.4	22.5
Peoples NB of Commerce, Miami (a)	1.29	15.02	62.0	5.6
Zapata National Bank, Tex. (a)	1.28	16.56	60.9	20.9
Western Bank, Santa Fe (a)	1.24	14.10	66.4	39.3
Metropolitan NB, McAllen, Tex. (a)	1.20	13.88	77.9	3.3
Far East Nat'l Bank, Los Angeles (a)	1.17	19.66	56.0	14.9
First Independence NB, Detroit (a)	1.16	24.97	31.3	41.4
Lumbee Bank, Pembroke, N.C. (a)	1.15	10.09	61.7	31.3
Consolidated B&T Co., Richmond (a)	1.13	14.09	65.5	10.4
Nueces NB, Corpus Christi, Tex. (a)	1.11	11.19	55.6	10.6
Intn'l Bk of Comm., Laredo, Tex. (a)	1.05	17.63	39.6	1.9
Commonwealth NB, Mobile, Ala. (a)	1.01	8.48	43.0	19.5
Highland Community Bk, Chicago (a)	0.99	14.39	38.3	33.3
Community Bk of Lawndale, Chicago (a)	0.98	6.89	52.2	25.4
Citizens Trust Bank, Atlanta (a)	0.97	13.38	37.3	29.7
American State Bk, Portland, Ore. (a)	0.97	10.29	44.1	64.1
Seaway National Bank, Chicago (a)	0.94	15.70	37.0	17.5
Community Bk of Neb., Omaha (a)	0.93	8.82	72.7	5.7
American State Bank, Tulsa, Okla. (a)	0.89	16.80	27.6	25.6
New World Nat'l Bank, Pittsburgh (a)	0.85	7.57	20.0	41.7
Cathay Bank, Los Angeles (a)	0.84	12.99	50.6	0.4
S. Texas Nat'l Bank, Laredo, Tex. (a)	0.80	18.02	37.2	0.1
Continental NB, Louisville, Ky. (a)	0.79	11.48	52.9	27.9
Mechan. & Frmrs Bk, Durham, N.C. (a)	0.79	9.12	52.2	7.7
Atlantic National Bank, Norfolk, Va. (a)	0.75	15.59	63.6	21.0
Golden Pacific NB, New York (a)	0.68	11.22	47.7	0.1
First Women's Bk of Md., Rockville (a)	0.67	8.35	41.3	21.6
N. Milwaukee State Bank, Wis. (a)	0.66	7.43	47.1	15.0
Liberty Bank & Trust Co., Boston (a)	0.66	7.39	38.2	9.8
Carver State Bank, Savannah, Ga. (a)	0.65	10.84	73.1	18.4
Independence Bank, Chicago (a)	0.64	9.79	50.1	20.1
Capital National Bank, New York (a)	0.61	9.69	71.0	1.4
Golden Gate Bank, San Francisco (a)	0.59	5.24	75.7	4.8
City National Bank of N.J., Newark (a)	0.58	10.50	19.9	66.0
Midwest Nat'l Bank, Indianapolis (a)	0.58	8.17	83.8	27.8
Centinel Bank, Taos, N.M. (a)	0.58	6.47	71.8	28.9
Palm Bch Lakes Bk, W. Palm Bch (a)	0.57	6.44	22.0	28.2
American Indian NB, Wash., D.C. (a)	0.57	4.08	26.4	7.0
Liberty Bank of Seattle, Wash. (a)	0.56	7.30	39.0	60.3
Pacific Heritage Bk, Torrance, Cal. (b)	0.55	3.50	51.4	5.6
Hemisphere National Bank, Miami (a)	0.54	7.19	43.5	11.1
Capital Bank NA, Washington, D.C. (a)	0.52	7.59	54.2	3.1
New York National Bank, Bronx (b)	0.52	6.22	62.2	3.9
Conn. Women's Bank, Greenwich (a)	0.50	4.50	74.2	5.6
United NB, Washington, D.C. (a)	0.46	8.36	40.9	6.7
City National Bank, Weslaco, Tex. (a)	0.43	2.85	67.3	8.6
Douglass Bank, Kansas City, Kan. (a)	0.42	5.77	24.0	19.7
Liberty B&T Co., New Orleans (a)	0.39	5.86	53.1	30.1
Sunshine State Bank, S. Miami (a)	0.38	8.53	63.5	1.9
First Women's Bk, Los Angeles (a)	0.38	3.93	65.3	1.5
Continental National Bank, Miami (a)	0.32	5.21	41.3	7.9
Women's Bank, Richmond, Va. (a)	0.26	2.94	52.1	9.2
Industrial Nat'l Bk, E. Chicago, Ind. (a)	0.23	4.83	55.0	23.7
Bank of Miami (a)	0.21	3.76	47.6	3.8
First Women's Bank, New York (a)	0.19	3.18	37.9	14.2
Gateway Nat'l Bank, St. Louis, Mo. (a)	0.15	2.16	56.1	17.7
Freedom National Bank, New York (a)	0.13	2.54	24.0	23.9
Ctzn.Svg B&T Co., Nashville, Tenn. (a)	0.13	2.38	54.3	12.5
First Bank NA, Cleveland (a)	0.10	3.75	43.7	17.4
El Pueblo State Bk, Espanola, N.M. (a)	0.09	1.15	69.2	46.6
Mission Nat'l Bank, San Francisco (b)	0.08	0.45	67.9	6.9
Plaza NB, Albuquerque, N.M. (a)	0.06	1.07	55.5	55.5
Bank of Honolulu (a)	0.03	0.57	62.0	26.8
Pan American Bank, Los Angeles (a)	0.01	0.21	42.7	0.9

(a) — Over three years old (b) — Three years and under.

Thrifts Eligible for the Government Minority Bank Deposit Program*

(Geographically Listed by State)

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As of December 31, 1983

	Assets 12/31/83	Assets 12/31/82	Deposits 12/31/83	Deposits 12/31/82	Net Inc. 12/31/83	Net Inc. 12/31/82
Alabama						
Citizens Federal Savings & Loan Assn., Birmingham (b)	41,031,850	39,425,410	35,903,095	36,569,775	598,050	229,051
Tuskegee Federal Savings & Loan Assn. (b)	16,801,768	16,356,759	11,986,581	14,848,229	85,827	34,368
California						
Enterprise Savings & Loan Assn., Compton	19,707,000	15,889,000	18,198,000	15,163,000	110,000	33,000
Broadway Federal Savings & Loan Assn., Los Angeles	73,922,894	66,007,648	70,925,626	60,876,539	314,537	-950,486
First Public Savings Bank, Los Angeles (a)	58,061,803	40,746,595	52,163,615	35,935,920	934,768	675,364
Family Savings & Loan Assn., Los Angeles	144,182,000	124,854,000	97,602,000	76,691,000	165,000	2,065,000
Founders Savings & Loan Assn., Los Angeles (b)	126,277,782	67,190,564	119,564,244	56,794,436	-952,625	-2,430,780
Merit Savings & Loan Assn., Los Angeles	233,824,000	171,944,000	195,839,000	130,318,000	481,000	253,000
Standard Savings & Loan Assn., Los Angeles (a)	55,634,159	21,882,197	46,182,122	15,692,162	1,265,209	250,395
Westwood Savings & Loan Assn., Los Angeles (d)	255,000,000	N.A.	187,000,000	N.A.	8,900,000	N.A.
Monterey Park Savings & Loan Assn. (e)	29,739,762	17,394,000	25,319,625	14,903,000	314,000	155,000
City Federal Savings & Loan Assn., Oakland	31,962,000	26,035,000	28,755,000	22,798,000	-128,000	-6,000
Gateway Savings & Loan Assn., Oakland (a)	200,977,322	63,714,454	172,952,378	56,084,460	513,424	713,209
Heritage Federal Savings & Loan Assn., Oakland	22,767,000	20,156,000	19,676,000	18,236,000	-365,000	-130,000
Hacienda Federal Savings & Loan Assn., Oxnard	42,236,000	39,817,000	38,137,000	38,576,000	-686,000	-1,101,000
Presidio Savings & Loan Assn., Porterville (c)	165,276,280	44,821,279	107,486,168	38,999,898	3,205,594	46,208
Camino Real Savings & Loan Assn., San Fernando (a)	130,415,333	64,081,978	108,941,267	53,904,144	2,035,305	310,034
Golden Coin Savings & Loan Assn., San Francisco (a)	73,000,000	33,500,000	60,621,000	19,200,000	145,000	670,000
Sincere Federal Savings Bank, San Francisco	70,672,000	31,022,000	64,731,000	30,579,000	532,000	206,000
Time Savings & Loan Assn., San Francisco (e)	55,953,556	37,505,621	48,860,108	28,583,883	489,515	257,304
United Bank, SSB, San Francisco (b)	415,976,163	218,039,357	262,677,265	163,815,263	3,011,987	4,251,435
East-West Federal Bank FSB, San Marino (b)	182,128,268	117,808,713	147,553,701	99,060,075	841,831	145,895
Colorado						
Equity Federal Savings Bank, Denver	4,070,000	3,192,000	3,603,000	2,610,000	-9,000	-23,000
Connecticut						
Community Federal Savings & Loan Assn., Bridgeport	41,736,414	33,123,696	38,812,008	32,657,550	806,366	70,565
Connecticut Savings & Loan Assn., Hartford (b)	9,283,228	9,265,578	7,843,794	8,173,910	-12,121	15,045
District of Columbia						
Independence Federal Savings & Loan Assn. (b)	78,004,903	N.A.	58,136,060	N.A.	N.A.	N.A.
Florida						
Tropical Federal Savings & Loan Assn., Hialeah (c)†	19,103,622	7,396,374	17,768,050	6,573,815	45,789	30,552
General Federal Savings & Loan Assn., Coral Gables (c)	98,757,721	46,689,027	91,748,580	42,689,883	269,059	158,380
Interamerican Federal Savings & Loan Assn. (c), Miami	45,863,037	44,245,442	41,300,131	40,467,326	217,278	212,714
Miami Federal Savings & Loan Assn.	116,207,000	121,512,000	108,526,000	109,673,000	N.A.	N.A.
Washington Shores Federal S&L Assn., Orlando (b)	9,181,108	8,749,745	6,306,246	7,289,942	-108,362	29,118
Community Federal Savings & Loan Assn., Tampa	12,403,000	7,145,000	12,072,000	6,882,000	64,000	-9,000
Georgia						
Mutual Federal Savings & Loan Assn., Atlanta (b)	24,814,828	24,676,456	22,822,422	22,794,293	26,674	17,615
Illinois						
Illinois/Service Federal S&L Assn., Chicago (b)	98,111,000	93,541,913	94,338,835	90,253,371	116,420	-410,771
Kansas						
Coronado Federal Savings & Loan Assn., Kansas City (c)	15,221,829	7,866,485	14,434,877	7,567,301	68,534	-35,775
Lousiana						
First Federal S&L Assn. of Scotlandville, Baton Rouge (b)	50,280,270	46,160,406	48,304,822	44,537,353	90,448	-417,615
Bayou Federal Savings & Loan Assn., New Orleans (b)	10,134,421	N.A.	10,096,531	N.A.	11,271	N.A.
United Federal Savings & Loan Assn. (b)	36,202,587	33,262,396	33,479,102	29,663,955	272,079	-43,764
Maryland						
Advance Federal Savings & Loan Assn. (b)	29,141,557	20,336,190	25,160,535	23,687,455	302,541	92,055
Ideal Savings & Loan Assn., Baltimore (b)	5,482,519	4,684,933	4,887,353	4,207,289	36,409	7,246
Missouri						
New Age Federal Savings & Loan Assn., St. Louis (b)	11,842,667	10,875,837	11,141,076	10,106,636	-32,163	-59,449
New Mexico						
Otero Savings & Loan Assn, FA, Alamogordo	16,251,000	13,851,000	13,573,000	11,893,000	111,000	-27,000
Sun Country Savings Bank, Albuquerque (c)	89,753,795	53,259,618	77,097,122	36,040,108	478,294	153,835
Dona Ana Savings & Loan Assn., Las Cruces (c)	47,817,468	37,530,361	45,827,373	35,311,105	239,794	-193,421
Sun Country Savings & Loan Assn., Las Cruces	60,550,000	45,747,000	43,239,000	31,790,000	413,000	41,000
De Vargas Savings & Loan Bank, Santa Fe (c)	23,583,323	12,862,793	20,526,228	10,693,905	55,358	34,443
Silver Savings & Loan Assn. (c)Silver City	15,499,118	12,369,566	14,092,466	11,139,665	29,887	37,022
New York						
Ponce de Leon Savings & Loan Assn., Bronx (c)	35,509,406	31,145,007	31,793,806	28,944,382	542,434	51,586
Carver Federal Savings & Loan Assn. (b)	113,057,691	109,370,991	98,572,722	94,635,942	1,013,975	412,590
North Carolina						
Mutual Savings & Loan Assn., Durham (b)	19,024,366	17,535,206	16,619,854	14,704,672	149,996	81,668
Craven County Federal CU, New Bern (b)	1,400,780	864,343	1,271,940	789,148	38,307	42,234
Ohio						
Major Federal Savings & Loan Assn., Cincinnati (b)	20,883,571	15,603,207	19,938,810	14,050,303	156,448	45,265
Pennsylvania						
Berean Savings Assn., Philadelphia (b)	22,876,496	19,115,797	19,505,257	16,175,485	247,286	102,650
Dwelling House Savings & Loan Assn., Pittsburgh (b)	8,282,958	7,514,163	7,146,770	6,598,758	120,506	103,761
Tennessee						
Magnolia Federal Savings & Loan Assn., Knoxville (b)	4,359,395	4,670,305	3,735,744	3,572,333	N.A.	N.A.
Community Federal Savings & Loan Assn., Nashville	19,893,834	13,476,454	18,282,321	12,941,474	-394,033	-391,988
Texas						
Padre Federal Savings & Loan Assn., Corpus Christi (c)	8,727,285	4,411,341	8,076,126	4,674,003	-151,334	-222,440
Standard Savings Assn., Houston (b)	18,854,072	17,906,867	16,790,088	15,686,521	204,979	82,434
Tesoro Savings & Loan Assn., Laredo, (c)	101,880,282	42,743,321	91,428,298	29,724,461	N.A.	N.A.
Virginia						
People's Savings & Loan Assn., Hampton	22,781,778	15,918,365	20,427,092	14,020,511	36,413	-21,429
Imperial Savings & Loan Assn., Martinsville (b)	4,723,720	4,147,949	4,294,110	3,750,801	29,048	8,528
Community Federal S&L Assn., Newport News (b)	12,711,476	10,823,652	11,929,498	10,623,297	-193,224	-197,175
Berkley Citizens Mutual Savings & Loan Assn., Norfolk	14,345,998	12,886,167	13,684,471	11,907,346	-120,248	-304,266
Washington						
Sound Savings & Loan Assn., Seattle (d)	21,017,452	16,181,427	15,364,703	9,536,521	197,429	-16,323
United Savings & Loan Bank, Seattle (a)	56,414,445	47,857,998	50,130,900	40,800,000	785,960	-11,371
Wisconsin						
Columbia Savings & Loan Assn., Milwaukee (b)	7,729,400	7,465,418	6,738,218	6,577,098	59,970	30,521

* — The American Banker contacted the 70 thrift institutions that are listed as eligible for the Program by the Treasury Department. Those who responded are included in the survey.
† — Yearend Sept. 30. ‡ — Jan. 1, 1983.
Minority types: (a) — Asian-American owned. **(b)** — Black owned. **(c)** — Hispanic-American owned. **(d)** — Women owned. **(e)** — Multiracial thrift.

Average Minority Bank Compared with Average Non-Minority Bank *

By Asset Size and Age of Bank

Compiled by American Banker Copyright 1984

Banks Three Years Old and Under
(Dollar Amounts in Thousands)

	Average Total		Under $10 Mil.		$10-$25 Mil.		$25-$50 Mil.		$50-$300 Mil.		Over $300 Mil.	
	Min.	Non-Min	Min.	Non-Min	Min.	Non-Min	Min.	Non-Min	Min.	Non-Min	Min	Non-Min
Selected Assets:												
Cash and Due	2,576	3,502	621	830	3,065	2,347	N/A	10,272	N/A	N/A	N/A	N/A
Total Securities Held	2,648	3,263	944	1,007	3,074	2,111	N/A	9,334	N/A	N/A	N/A	N/A
Fed Funds Sold, Etc	1,568	2,279	1,175	792	1,666	1,708	N/A	5,903	N/A	N/A	N/A	N/A
Loans, Net	6,952	22,706	3,146	2,850	7,904	8,839	N/A	83,615	N/A	N/A	N/A	N/A
C&I	3,611	6,765	1,349	1,083	4,176	3,408	N/A	22,970	N/A	N/A	N/A	N/A
Consumer	1,456	10,062	921	720	1,590	2,175	N/A	41,451	N/A	N/A	N/A	N/A
Total Assets	14,616	33,111	6,256	5,981	16,638	15,972	N/A	112,704	N/A	N/A	N/A	N/A
Selected Liabilities:												
Domestic Deposits:												
US Gov't	82	37	4	12	101	34	N/A	84	N/A	N/A	N/A	N/A
States & Subdiv	1,164	865	100	389	1,430	728	N/A	1,934	N/A	N/A	N/A	N/A
Total Deposits	11,750	21,999	4,746	4,371	13,501	13,317	N/A	68,791	N/A	N/A	N/A	N/A
Fed Funds Purch, Etc	0	3,679	0	54	0	224	N/A	16,351	N/A	N/A	N/A	N/A
Other Liabs for Borrowed Money	0	2,101	0	5	0	22	N/A	9,766	N/A	N/A	N/A	N/A
Total Liabilities	12,051	29,019	4,845	4,514	13,852	13,744	N/A	100,501	N/A	N/A	N/A	N/A
Equity Capital												
Prfrd & Comm Stck, Par	1,534	1,730	1,063	812	1,652	1,223	N/A	4,274	N/A	N/A	N/A	N/A
Surplus	1,299	1,879	1,063	692	1,359	1,044	N/A	5,535	N/A	N/A	N/A	N/A
Undiv Profit/Cap Rsrv	-269	346	-445	-37	-225	-38	N/A	1,757	N/A	N/A	N/A	N/A
Total Equity Capital	2,565	3,955	1,681	1,467	2,786	2,229	N/A	11,566	N/A	N/A	N/A	N/A
Operating Income												
Int & Fees on Loans	689	2,279	166	220	820	793	N/A	8,692	N/A	N/A	N/A	N/A
Inc Fed Funds Sold, Etc	109	177	46	52	125	132	N/A	474	N/A	N/A	N/A	N/A
Int on Securities	210	245	6	64	261	135	N/A	767	N/A	N/A	N/A	N/A
Serv Charges Dep Accts	55	55	7	19	67	59	N/A	106	N/A	N/A	N/A	N/A
Other Serv Charges, Etc	21	351	18	31	22	22	N/A	1,546	N/A	N/A	N/A	N/A
Total Operating Income	1,241	3,335	244	437	1,491	1,253	N/A	12,345	N/A	N/A	N/A	N/A
Operating Expenses												
Salaries & Benefits	352	392	110	144	413	296	N/A	998	N/A	N/A	N/A	N/A
Int on Deposits	520	1,131	69	159	632	568	N/A	3,882	N/A	N/A	N/A	N/A
Expense Fed Funds Purch, Etc	1	195	0	2	1	8	N/A	890	N/A	N/A	N/A	N/A
Int on Borrowed Money	1	128	2	1	1	1	N/A	592	N/A	N/A	N/A	N/A
Net Occ Expenses	116	165	76	62	126	133	N/A	404	N/A	N/A	N/A	N/A
Prov Loan Losses	95	228	172	29	76	72	N/A	871	N/A	N/A	N/A	N/A
Total Operating Exp	1,338	2,861	560	536	1,533	1,307	N/A	9,855	N/A	N/A	N/A	N/A
Net Income	-102	243	-316	-84	-49	-46	N/A	1,364	N/A	N/A	N/A	N/A
No. of Employees	15	20	11	9	16	16	N/A	49	N/A	N/A	N/A	N/A
No. of Banks	10	813	2	290	8	349	N/A	174	N/A	N/A	N/A	N/A

Banks Over Three Years Old

	Average Total		Under $10 Mil.		$10-$25 Mil.		$25-$50 Mil.		$50-$300 Mil.		Over $300 Mil.	
	Min.	Non-Min	Min.	Non-Min	Min.	Non-Min	Min.	Non-Min	Min.	Non-Min	Min	Non-Min
Selected Assets:												
Cash and Due	5,753	24,766	1,410	614	2,039	1,389	4,921	2,974	10,346	10,101	26,480	404,061
Total Securities Held	13,972	32,147	2,085	2,236	4,843	5,543	8,703	11,723	20,654	30,668	127,646	353,907
Fed Funds Sold, Etc	5,517	6,684	687	509	1,726	988	3,916	1,893	13,115	4,989	8,375	85,615
Loans, Net	22,051	93,106	3,186	3,379	7,752	8,419	16,350	17,663	35,257	52,457	160,864	1,377,949
C&I	8,203	38,221	1,341	602	2,424	1,779	5,244	4,269	14,108	15,954	62,167	625,741
Consumer	4,592	15,878	1,114	807	2,213	2,039	5,416	4,397	7,180	13,023	13,396	199,354
Total Assets	49,747	169,952	7,864	6,998	17,197	17,126	35,557	35,848	83,712	102,840	338,800	2,442,263
Selected Liabilities:												
Domestic Deposits:												
U.S. Gov't	1,159	239	260	10	1,016	24	1,434	53	1,472	160	477	3,336
States & Subdiv	5,118	6,027	1,033	579	2,317	1,269	3,318	2,439	7,985	6,342	35,434	59,940
Total Deposits	42,892	111,126	6,731	6,181	15,299	15,172	31,930	31,846	70,042	90,232	296,024	1,389,126
Fed Funds Purch, Etc	1,958	12,872	17	30	82	106	339	318	4,763	2,680	15,788	235,907
Other Liabs for Borrowed Money	654	3,929	241	5	151	26	32	84	2,048	397	5	74,666
Total Liabilities	46,325	159,362	7,124	6,278	15,758	15,557	32,756	32,776	78,562	94,857	316,229	2,307,312
Equity Capital												
Prfrd & Comm Stck, Par	1,170	1,822	557	131	711	274	950	519	1,540	1,397	6,322	23,090
Surplus	1,398	3,390	523	277	582	541	1,053	1,000	2,108	2,728	9,345	41,768
Undiv Profit/Cap Rsrv	768	4,867	-340	310	74	745	737	1,524	1,341	3,651	6,894	61,458
Total Equity Capital	3,336	10,080	740	717	1,367	1,561	2,739	3,043	4,988	7,778	22,571	126,316
Operating Income												
Int & Fees on Loans	2,808	11,042	465	450	1,013	1,101	2,166	2,251	4,385	6,351	20,337	161,152
Inc Fed Funds Sold, Etc.	391	670	84	54	168	105	384	206	711	535	1,090	8,245
Int on Securities	1,070	2,697	216	226	434	543	824	1,091	1,684	2,723	9,997	27,725
Serv Charges on Dep Accts	261	394	82	24	132	63	231	132	404	348	1,190	4,603
Other Serv Charges	91	516	15	13	46	29	73	53	132	167	575	8,732
Total Opertaing Income	5,020	17,466	907	792	1,847	1,896	3,881	3,855	7,927	10,700	35,006	248,403
Operating Expenses												
Salaries & Benefits	995	2,460	237	138	427	283	784	540	1,634	1,561	5,471	34,530
Int on Deposits	2,348	6,635	332	415	780	1,040	1,683	2,151	3,606	5,769	19,308	78,490
Expense Fed Funds Purch, Etc	88	1,202	1	2	5	8	56	22	144	203	1,014	22,369
Int on Borrowed Money	51	456	3	0	17	3	10	9	142	47	61	8,665
Net Occ Expenses	332	810	113	38	158	82	253	167	549	510	1,591	11,540
Prov Loan Losses	212	771	54	38	119	91	190	171	257	436	1,434	11,137
Total Operating Exp	4,728	16,092	942	719	1,883	1,698	3,545	3,441	7,447	9,626	31,997	231,150
Net Income	258	1,089	-38	56	-29	155	278	337	410	900	2,909	13,359
No. of Employees	48	109	14	7	24	14	38	28	79	80	234	1,438
No. of Banks	90	13,537	7	1,352	35	3,769	20	3,603	25	4,128	3	685

* — Data provided by the Federal Reserve.
N/A — Not applicable.

Small Minority Thrifts Posted Big Gains in 1983

Asset Growth of 51% Compared to 13% at Top 300 Thrifts; Deposits Soared 50% to $3 Billion

By KENNETH J. HICKS

NEW YORK — Minority-owned thrift institutions may be small, but they posted whopping aggregate gains in assets, deposits, and net income from yearend 1982 to yearend 1983.

The top 300 thrifts of all types had asset growth of 13.2%, and deposits were up 24.9%. These were solid increases for the industry, but far behind increases for the smaller, minority-held institutions.

Of the 70 thrifts considered minority-owned by the Treasury at yearend 1983, 64 could provide data for both 1983 and 1982. At those thrifts, assets were up 51% to $3.6 billion, deposits rose 49.5% to $3 billion, and net income skyrocketed 267.1% to $19.2 million.

Twelve of those thrifts reported a negative net income, but of those, only two had lost more money in 1982. Overall, six thrifts had a decline in net income. Only one thrift institution posted a decline in assets. Further, in the last year and a half, six thrifts have been acquired and are no longer considered minority-owned.

Compared with the performance of the top thrifts in the nation, minority-owned thrifts posted huge jumps in assets, deposits, and income as several began converting to stock associations and others took advantage of an exodus of larger institutions from the inner-city areas.

United Bank, San Francisco, topped the list as the largest minority-owned financial institution in the nation, with $416 million in total assets as of Dec. 31, 1983.

That total is more than $50 million greater than that of the International Bank of Commerce, a Hispanic-American-run bank in Laredo, Tex., with $364.1 million in assets, the largest minority-owned commercial bank.

According to a new *American Banker* survey of minority-owned financial institutions, United Bank, an Asian American-owned savings bank, also had deposits of $262.7 million and net income of $3 million, placing it among the top minority-owned institutions in each category.

Those are some of the findings of the *American Banker* review of thrifts eligible for the Government Minority Bank Deposit Program.

The program was begun by the secretary of commerce and the undersecretary of the Treasury on Oct. 2, 1970. It was designed to be a "combined federal government-private sector effort to assist the development of minority business enterprise," according to a brochure published in 1980, which is the most recent information available. Thrift institutions were allowed to enter the program in 1980.

Following United Bank in the minority-owned ranking are four other California thrifts: Westwood Savings & Loan Association, Los Angeles, which reported assets of $255 million; Gateway Savings & Loan Association, Oakland, with assets of $201 million; East-West Federal Bank FSB, San Marino, whose assets totaled $181.1 million; and Presidio Savings & Loan Association, Porterville, with yearend assets of $165.3 million.

Theresa L. Watson, president of the American League of Financial Institutions, the Washington, D.C.-based trade organization for minority-owned thrifts, expressed some surprise at the year-to-year comparisons. To explain some of those big gains, Ms. Watson noted that "the bulk of minority-owned thrifts are less than 10 years old, so they don't have the drag of the old, low-yielding mortgages."

Further, Ms. Watson said, many of the institutions have converted or are considering a conversion to stock institutions in an effort to increase their capital base.

One thrift that has converted to a stock association is Padre Federal Savings & Loan Association in Corpus Christi, Tex. The S&L had assets of $8.7 million and deposits of $8.1 million at year-end 1983, increases of 97.8% and 72.8%, respectively. Though net income was a loss for both years ($151,334 and $222,440 for the respective years of 1983 and 1982), capital since the conversion increased from a deficit of $381,696 in 1982 to a positive $449,600 for 1983.

According to a study conducted by the American League, "those that have converted to stock have done better," Ms. Watson said.

In addition to the conversions and the general youth of the community-based thrifts, many have also been acquiring branches from other, larger institutions that may have found particular neighborhoods no longer profitable.

According to Ms. Watson, none of the minority-owned thrifts market themselves as such, though "it would be to their advantage to take advantage of certain programs, such as contractors to government accounts.

"When they [thrifts] get their charters, they are savings banks and savings and loans. They have to go out for that business and sell themselves."

Ms. Watson also advocates a consortium approach for minority-owned thrifts to conduct business. "It could be a boon [for minority thrifts]. The thrifts could act as one large lender as opposed to several small ones," allowing them greater flexibility in financing economic development within the communities they serve.

Deregulation of the financial industry poses a challenge for the minority thrift. On the one hand, it will allow them the same freedoms for expansion of the nonminority institution. On the other hand, "The threat is of a possible erosion of the deposit base as people shop around for better prices. It does expose us to competition," Ms. Watson said.

In either event, Ms. Watson believes these community-based thrifts must serve their constituents, not only in providing financial services, but in educating people as well. ■

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Deposits . . .

Continued from Page 1

between profitability or not," he said.

A spokesman for the Treasury Department confirmed that discussions have taken place but declined to comment further.

Mr. Homer said that so far the Treasury has agreed primarily to study the possibility of having government agencies with small accounts — generally those with flows aggregating less than $10 million per month — to try to route receipts and other deposits to minority institutions.

This would be without a bidding process, and it would be based on the understanding that the minority bank to be chosen can do the job as well or better than other institutions in the area.

He said the government also would consider extending this to accounts with flows aggregating between $10 million and $25 million per month.

Also, Mr. Homer said the Treasury has agreed to designate an official who would serve as a liaison to minority banks and help identify those smaller government accounts that could go to minority banks.

He said the bankers have asked Treasury about letting the NBA's minority banks as a group form a network to accept government deposits — "the equivalent of dealing with one bank in the 67 cities for a lockbox system."

Under such a system, the banks would collect payments to the government coming by mail from corporations and other remitters. He said the Treasury has agreed to consider this also.

Mr. Homer, who also is chief executive officer of Boston Bank of Commerce, said that the Treasury Department has been cooperative but that philosophical differences have made it difficult to get concessions from the agency.

He said the bankers went into the negotations hoping to keep the deposits going at the current level, or if that couldn't be done, to set a goal for deposits. But, he said, neither appears to be the way Treasury is heading.

Mr. Homer added, "I'm not sure there is a minority bank deposit program as such anymore. The Treasury says if you identify an account and can service it as well or better than others, they'll move the account to your bank. That basically is the right to compete, which every bank has."

He added, "It ought to be clear that whatever deposits our banks get out of this will be because we hustled for them."

Mr. Homer said that for most NBA members a change in the minority program won't have a significant impact, but for a few that received steady deposits for several years "and factored it into their business, this will be an abrupt change."

The NBA official also said the government is being shortsighted in thinking it is saving taxpayer money with Reform '88, because it will mean less funds available for community lending and development through minority banks. He said that in contrast, deposits at large money center and regional institutions "may go for loans to Argentina."

He also said Treasury has been slow in following through on another aspect of the current discussions — encouraging private businesses to deposit in minority banks and help make up whatever losses occur as a result of the Administration's pullback.

One bank stung particularly hard by the government's cash management program, American State Bank of Portland, Oregon, said recently that half its annual earnings may be wiped out as a result.

American State has decided to drop a legal challenge to the government, its president said last week.

"It wouldn't help us any to pursue the challenge," said Venerable Booker, the bank president. "We don't need relief a year and a half down the road. We need it now."

In September, a federal judge denied the bank's request for an order halting the government's plan. Initially, the bank planned to appeal, but last week Mr. Booker said it would seek "to work out some sort of compromise outside the courtroom" with the Treasury.

The bank, which had deposits of $12.8 million at the end of 1983, had handled received payments for the Bonneville Power Administration, processed the checks and transferred the funds to a government account. The government directed Bonneville to begin collecting payments through bank lockboxes in Los Angeles and Philadelphia, a cash management initiative that a Treasury spokesman said would save about $500,000 a year.

American State said its funding requirements would increase by a daily average of about $1.5 million as a result, more than doubling its interest expense to about $1 million a year.

The Treasury Department has said the impact on American State is considerably less than the bank contends. About $423,000 in compensating balances is kept at the bank, 90% of which is intended to compensate American State for float lost when Treasury must be reimbursed before the bank can process and collect checks it receives.

That means only about $43,000 is available for loans.

However Mr. Booker said the bank's deposits at the end of the first quarter were down 29% from a year earlier, to about $9 million.

But in the wake of its failure to halt the government's plan, the bank already has accepted jumbo certificates of deposits.

"We used to turn those down because we had cheaper deposits on hand," Mr. Booker said. "But that's not so anymore." ■

Kenneth J. Hicks and Robert Garsson contributed to this story.

California . . .

Continued from Page 2

needed to require all banks and thrifts to cash government checks for noncustomers and to prohibit requiring a credit card to open a checking account.

Under the new float regulations, which went into effect Oct. 1, check deposits may be delayed by one business day for checks drawn on an institution's own account, two days on local banks, three to four days on other California banks and eight to nine days on banks outside the state.An additional day is added for funds drawn on a savings and loan. Previously, hold periods practiced by some banks and thrifts were as long as three weeks.

State banking superintendent Louis Carter testified that his department, in drawing up the float regulations for banks, knew that "no matter what we developed, it would be unpopular with some — a classic no-win situation."

"In essence, the department attempted to strike a balance between two diverse interests which have at their extreme the bank's interest of zero risk versus the depositor's interest of zero hold," Mr. Carter said.

He urged that the regulations be given a chance to work. He said he planned to hold hearings on their impact within six months rather than after a year, as stipulated by the Legislature, and would amend the regulations if they were found to be onerous.

"It is the banks, not the customers, who suffer the most cost," said Gregory Wilhelm, vice president of Wells Fargo Bank, testifying on behalf of the state bankers association.

Mr. Wilhelm welcomed speedy review of the state regulations and took issue with the criticism that banks are earning millions of dollars in interest on delayed check deposits.

"Wells Fargo Bank's 330 branch netowrk places an average of only 210 to 225 aggregate holds per day representing approximately $2.2 million," he said. "It receives back approximately 11,500 return items each day representing approximately $8.5 million. There is a lag time of one to four days between the time that Wells Fargo's provisional credit on a returned item is reversed and the customer's account is charged. During this lag period the customer who deposited a defective item enjoys the use of funds to which he is not entitled at the expense of the bank."

H. Peter Franzel, district operations administrator for the Federal Reserve Bank of San Francisco, said the San Francisco Fed, which serves as clearinghouse and intermediary bank for many banks in the region, was "vitally interested in reducing the cost and time in check clearing." Mr. Franzel termed the new float regulations as being "more biased in minimizing the risks to out-of-state instiutions" and said the regulations failed to distinguish between checks that are payable in nearby states and those more distant.

The Fed collects checks drawn on banks in Nevada, Arizona, and Hawaii on the same schedule as those drawn in-state, he said, noting that there was no need to give banks in those states eight days to return checks when three would be adequate.

Mr. Brown, the Assembly Speaker, told reporters that the legislation he introduces next year would require hold periods that match Fed clearing schedules.

He noted that bankers testifying at the hearing were unable to tell him what percentage of checks placed on hold were returned, and he said that based on Mr. Wilhelm's testimony it seemed that banks suffered more loss from checks that were not placed on hold. Asked what he would do about banks that do not use the Fed as a clearing house, he said, "We'll have to develop another arrangement."

Carl Oshira of the Consumers Union, the only consumer advocate to speak on the float regulations, said he believed that "California's on the right track establishing maximum hold periods for banks." However, he complained that the regulations contained too many exemptions, including establishing no hold provisions for new accounts, and said the department has not made public how it plans to enforce the regulations.

In defending the department's float regulations, state banking superintendent Carter took issue with published complaints that "all checks clear in two or three days in this electronic age."

"In our view that confuses the issue. Checks that clear are not the problem. The problem is with those checks that are dishonored and must be returned using an outdated system that most people concede takes at least twice the time of presentment," Mr. Carter said. "A hold period one day too short would be valueless in protecting a bank from loss." ■

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Money Market Mutual Funds

October, 16, 1984

The table below presents certain statistics as of the date indicated for money market mutual funds whose shares are held largely in trust accounts. The information includes the full size in millions of dollars, average portfolio maturity, percent of portfolio due in seven days or less, and the rates of total return for the preceding seven and 30 days. The table is compiled by Theresia Gerber.

	Size $ Mil.	Average Maturity (days)	% due 7 days or less	% Rate of Return 7-day	30-day
Dreyfus Money Market Instruments:					
Money Market Series	814.8	49	17	10.6	10.7
Dreyfus Institutional Money Market Fund:					
Government Securities Series	698.7	86	46	9.9	10.3
Money Market Series	929.3	42	31	10.8	11.1
Federated Group:					
Federated Master Trust	3,001.9	34	16	10.7	10.9
Money Market Trust	2,181.6	35	18	10.6	10.9
Trust for Short-Term U.S. Govt. Sec.	5,625.4	46	49	10.1	10.4
Trust for U.S. Treasury Obligations	2,512.9	48	53	10.1	10.5
Fidelity Money Market Trust:					
U.S. Government Portfolio	827.2	11	87	9.5	10.1
Domestic Money Market Portfolio	1,840.5	22	20	10.7	11.0
Treasury Portfolio	308.2	1	100	9.4	10.1
Institutional Liquid Assets:					
Prime Obligations Portfolio	5,238.9	36	26	10.7	11.0
Government Portfolio	1,467.6	34	58	10.2	10.6
Treasury Portfolio	395.8	38	53	10.1	10.5
Mariner Institutional Funds Inc.:					
U.S. Treasury Fund	128.6	7	75	9.4	9.9
Government Fund	131.8	14	68	9.8	10.2
Cash Management Fund	341.0	25	40	10.5	10.8
Merrill Lynch Group:					
Merrill Lynch Institutional Fund	1,194.0	49	10	10.9	10.9
Merrill Lynch Government Fund	1,359.5	49	7	10.7	10.5
Scudder Cash Investment Trust	997.3	26	14	10.4	10.5
Shearson+SAmerican Express Group:					
TempFund	5,893.3	32	37	10.7	11.0
FedFund	1,406.7	36	46	10.8	10.6
T-Fund	1,116.6	31	54	10.1	10.5
TrustFunds Liquid Asset Trust:					
Treasury Portfolio	1,243.0	41	52	10.0	10.4
Agency Portfolio	298.8	42	58	10.1	10.5
Commercial Portfolio	147.0	34	14	10.7	11.0
Prime Obligations Portfolio	1,381.0	35	9	10.8	11.0

American Banker

The Daily Financial Services Newspaper

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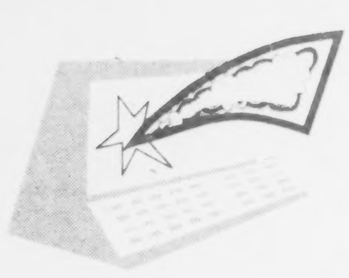

On-Line Brokers

ON-LINE BROKERS: The number of investors trading securities on line is growing slowly, but new order-entry efforts from brokers are in the works. A table appears on page 6, and the story begins on page..... 3

PUNCHLESS PLANTERS: Union Planters Corp. reported a loss of $14.9 million, eliminated its quarterly dividend, and said the company wouldn't return to profitability until next year 1

INSURANCE PARTNERS: Banks and insurance companies, traditionally fierce defenders of their own turf, are exploring the idea of partnership to benefit both sides 1

CITICORP'S CONCEPT: Questions are being raised about the wisdom of Citicorp's insurance venture, which initially is trying to sell customers on service, not price 1

CREDIT UNION ORDER: A judge has ordered the National Credit Union Administration to drop its edict barring First Empire Corp. from providing money brokerage to federal credit unions..... 2

INTERNATIONAL BRIEFING: Lloyds Bank International Ltd. is being merged into its parent, Lloyds Bank..... 2

Mergers and Acquisitions 2

BANK LINES: Pricing for the $311 million in bank borrowings by the Pubiic Service Company of Indiana has been set at prime plus one..... 3

DATA PROCESSOR: The Federal Reserve Board has approved Citibank's application for a data processing subsidiary 3

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THE BACK PAGE: The Blackfoot Indian tribe has begun the process of applying for what would be the first tribally owned bank..... 16

Quote

After the honeymoon, there are going to be several other people looking in the window to see what's going on.

Prudential-Bache Securities analyst Herbert Goodfriend, referring to added scrutiny that he says bankers could expect if barriers to the insurance field were dropped. [i]

Unquote

Union Planters Corp. Reports $14.9 Million Loss

By ROBERT M. GARSSON

NEW YORK — Union Planters Corp.'s newly installed management Thursday reported a loss of $14.9 million, or $4.44 a share, compared to a loss of $1.8 million, or 54 cents a share, a year earlier.

The bank holding company also eliminated its quarterly dividend and said Union Planters would not return to profitability before next year.

Reflecting its determination to undo the decade-long rule of former chairman William M. Matthews Jr., the Memphis-based bank holding company said it had taken nonrecurring charges

Bank of Boston Earnings, Page 3

of $10 million, including $4.7 million for "certain discontinued business," and a loss of $1.2 million for unspecified accounting changes. Mr. Matthews had been known to find accounting tricks to offset operating losses.

The banking firm also said in a statement that it expects "to enter into an agreement with its regulatory authorities, wherein the company will develop and implement revised capital and operating plans to improve profits and more clearly identify long-range operating strategies." The statement did not elaborate.

The statement said Union Planters

➳ Planters: Page 15

Banks and Insurers, Traditional Foes, Now Seeking Synergy

Representatives of the Two Sides Assemble at Conference to Study Benefits Accruing from Partnership

By PHILIP T. SUDO

NEW YORK — The question was this: Banks + Insurance = ?

More than 200 people — half from the banking world and half from insurance — came looking for the answer to that equation last week at a two-day conference here sponsored by Executive Enterprises Inc., a management education organizing firm.

The emphasis of the conference was on the entrance of banks into insurance, but both sides learned ways in which they could benefit from a partnership. At times, though, the meeting showed that differences between the historically separate industries might be harder to overcome than regulatory roadblocks.

"The future for banks is an inevitable combination with insurance," according to Jeffrey C. Gerrish, conference cochairman and partner in the Memphis, Tenn.-based law firm of Borod & Huggins. "It's a natural. The profit potential is there, and the credibility is inherent. It may be unearned, but it's still there."

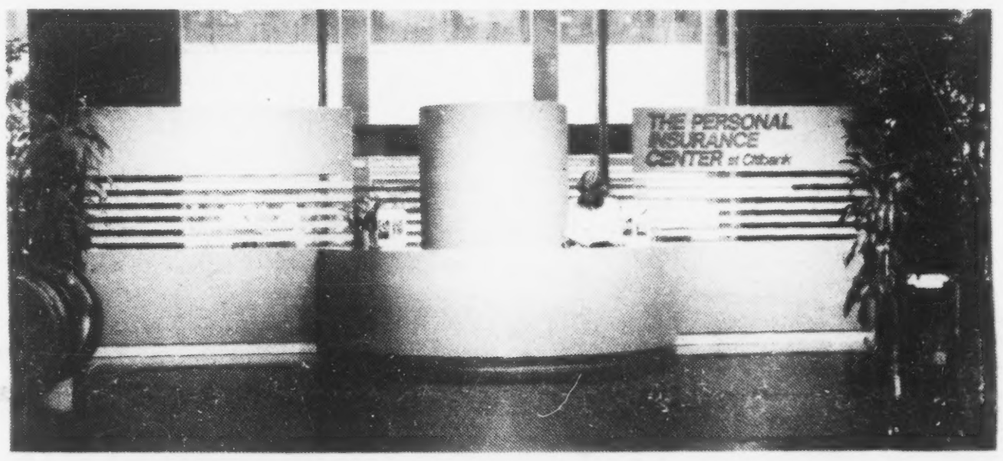
With their profit margins decreasing, Mr. Gerrish said, banks in this decade have viewed insurance as an alluring market. They would start with some advantages, too: They have frequent contact with a ready customer base, while insurance agents must knock on doors; their branch distribution system is cheaper than a network of agents; and they are perceived as more trustworthy than insurers, Mr. Gerrish said.

Insurers have defended their turf vigorously, lobbying and litigating on several fronts to slow banks' drive for expanded powers. They secured Title VI of the Garn-St Germain Act of 1982, which amended Regulation Y of the Bank Holding Company Act to prohibit, with limited exceptions, a bank holding company from providing insurance as a principal, agent, or broker.

Several states, including New York and California, have moved to allow banks fully into the business, but federal regulators have been reluctant to permit banks to assume the greater risks associated with insurance.

Impatient with the progress of legis-

➳ Insurance: Page 7



NO CITI BLUES: Peach and gray distinguish space Citibank rents to AILife

Citibank Insurance Center: Agent's Dream – Almost

NEW YORK — It must be an insurance agent's dream: The people come to *you*. No more knocking on doors, scouring neighborhoods for customers. At the Citibank Personal Insurance Center, the people are *there*, every day, waiting to be sold.

So close, and yet so far. Because the insurance arrangement at Citibank, where the bank leases branch space to the American International Life Assurance Co. of New York (AILife), prohibits its agents from roaming the floor soliciting business.

Regulatory rules require the in-branch agency to be distinguishable from the bank, separately identified through signs. Agents there may work only within their rented space, may not be employees of the bank, and, in the Citibank-AILife arrangement, work on salary rather than a commission basis.

Consequently, the consumers must approach the agents — a troublesome proposition when conventional wisdom in the industry says insurance must be pushed on the consumer, and pushed hard.

"A good deal is sold, not bought," said one industry analyst who asked not to be named, "but a good deal is also bought and not sold." If it is going to be bought, though, it must be cheap, he said.

"Allstate [Insurance Co.] has been very successful with their counters in Sears stores, using low prices, fast and fair claims service, and a lot of advertising to drive people to the store," he said. Similarly, thrifts in New York State have successfully sold Savings Bank Life Insurance by emphasizing value.

But Citibank "hasn't tried to be the low-price producer, and I don't think it could be if it tried," the analyst said. Instead, the bank has emphasized in brochures the agency's trustworthiness, convenience, and "individual, responsive service," noting only that its rates are "competitive." It refers to AILife's licensed insurance agents as

➳ Citibank Center: Page 7

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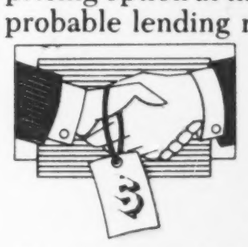
Public Service of Indiana Borrowings Set at Prime Plus One

By LISABETH WEINER

Public Service Co. of Indiana's bank borrowings of $310.5 million were priced at the prime lending rate plus one, according to its company treasurer.

Treasurer W.J. Hebble said the credit also carries a pricing option at the Eurodollar rate plus two, "but the probable lending rate will be at prime." Twenty-two banks are involved in the credit, led by Chase Manhattan Bank.


Commercial Lending

The agreement is for "something over a year and could be renegotiated at that time," Mr. Hebble said.

The fee to the lead bank is $250,000, and the agreement is expected to be signed in 30 days.

The utility, based in Plainfield, Ind., will use the borrowings to roll over existing bank debt of $164.5 million, which was used for the construction of the now-canceled Marble Hill nuclear project. Additional funds will be used to cover fuel costs, Mr. Hebble said.

Ethyl Corp. of Richmond, Va., has arranged a $500 million, five-year revolving credit with 15 banks, led by Chemical Bank, Ethyl vice president and treasurer L.B. Andrew said.

Additionally, Ethyl arranged a $153 million line of credit with four insurance companies led by Prudential Insurance Company of America.

The bank borrowings carry the same pricing as the company's previous $150 million bank line, although Mr. Andrew said he could not be more specific. "It's a typical revolving credit with choices for pricing against the prime, CD [certificate of deposit], or Libor [London interbank offered rate], with various maturity periods," Mr. Andrew said.

The new borrowings will be used to replace the previous credit that had been with a group of seven banks, led by Chase Manhattan. Additionally, a previous $50 million revolving credit with the same seven banks will disappear.

At the end of the five years, the bank arrangement will convert to a term loan, Mr. Andrew said.

The credit with the insurance companies is a refinancing of a previous line with the same four insurance companies for the same amount of funds. Although the current borrowings carry a 14% interest rate, compared with a previous rate of 10%, Mr. Andrew said the new agreement includes several covenants that are more favorable for the company.

The new pact is a five-year bullet agreement — in which no principal is due until the end of the five years — compared with the previous five-year average life credit, he added.

The borrowings will be used for stock repurchase programs, possible acquisitions, and general corporate purposes, Mr. Andrew said.

A.E. Staley Manufacturing Co. made a $330.6 million offer to acquire **CFS Continental Inc.**, which exceeds Dart & Kraft Inc.'s $290 million bid for CFS

➡ Bank Lines: Page 14

Fed Approves Data Processing Unit for Citibank

By ANDREW ALBERT

WASHINGTON — The Federal Reserve Board this week gave Citibank the go-ahead to set up a data processing subsidiary to offer a variety of electronic funds transfer services nationwide.

The subsidiary will be called Citicorp (BSC) Inc.

In addition, the Fed gave the nation's second largest bank permission to acquire certain parts of the Quadstar Corp., a Dallas firm that specializes in data processing and information services.

Citibank intends to buy Quadstar's "MiniHost," a software system designed to link a customer's computer terminals to the appropriate host computer. The electronic funds transfer switch is geared toward institutional customers, according to a spokeswoman at Citicorp, the bank's parent company.

A Quadstar spokeswoman said the switching system, which uses IBM hardware, might be employed by a bank planning to join an existing network of automated teller machines.

However, the spokeswoman said Thursday that her company had not been notified of the Fed's approval and therefore would not comment on Citibank's proposed acquisition.

Citicorp (BSC), to be based in Wilmington, Del., is being established to offer several data processing services, including the use of Quadstar's software.

Because Citicorp (BSC) is being formed as a service corporation, federal law permits it to perform any service — other than deposit-taking — at any geographic location, as long as the service is considered a permissible banking activity by the Fed.

The Fed said Citibank is required to consummate the transaction within three months, unless the board decides to grant an indefinite extension.

Government approval of the application represents yet another step by Citicorp — the largest U.S. bank holding company — to fortify an already national presence. ■

Correction

The Yankee Group, a Boston-based market research and consulting firm, was the sole sponsor of the videotex conference held in New York this week. A story on page 6 of the Oct. 18 issue stated incorrectly that the firm was among several sponsors of the conference. ■

Public Acceptance of On-Line Stock Trading Growing Slowly

Number of Customers at 6 Firms Totals About 5,000 Nationwide, But More Order-Entry Programs in the Works

By DAVID O. TYSON

NEW YORK — The number of investors using microcomputers to buy and sell stocks continues to grow slowly as more brokers prepare to launch on-line order-entry programs.

In its latest survey, the *American Banker* has found six such brokers now in operation, down from seven two months ago. Texas Securities Inc., Fort Worth, remains in the TradePlus Inc. system, but it has suspended the transaction function for its on-line customers. They still can get quotations and track their portfolios but cannot enter orders.

The On-Line Brokers

Despite the dropout, the firms that disclose their numbers now have about 2,360 on-line accounts, up more than 625 in two months.

Fidelity Brokerage Services Inc., Boston, also in the TradePlus system, declines to go public with its number for what it says are competitive reasons. "It's in the thousands," said Eric Kobren, director of marketing. "We believe we are the largest. In fact, we have more than everybody else combined."

Table of the On-Line Brokers, Page 6

If so, this would put the number of on-line customers at all six firms at 5,000 or more. And Fidelity is likely to add more when it makes its program available to banks, as Mr. Kobren said it expects to do before the end of the year.

Other expansion moves will take place before then. Security Pacific Brokers Inc. expects to expand outward from the Los Angeles area, for example. "We are finalizing marketing plans for the rest of the year," said James P. Albo, project manager for its on-line system. "We expect to go national with the product sometime in the near future."

But the first introduction probably will be by Spear Securities Inc., also of Los Angeles, which had expected to have its on-line system up and running on The Source by now. "The Source was ready to start last week," said Charles M. Spear, chief executive officer. "We wanted to check a few things and adjust. They are working on the adjustments. It may be up in a few days."

Two brokers have made adjustments to bring their services more in line with what appear to be developing norms for the on-line industry.

In one such change, Max Ule raised his minimum commission from $25, previously the lowest of any, to $30, the same as three competitors. Two others require a $35 minimum.

Mr. Ule, the first retail on-line broker, runs the discount division of Rosenkrantz, Ehrenkrantz, Lyon & Ross Inc. He says his on-line accounts now number about 600, including 232 that come in through CompuServe. "It's been running 20% of my business lately, which is nice," he said. "And we've had some large trades, too, where the commission is more than $150."

➡ On-Line: Page 6

Earnings

Bank of Boston Up 3% to $33.7 Million

By JOHN P. FORDE

NEW YORK — Strong domestic results helped push third-quarter earnings at the Bank of Boston Corp. to $33.7 million, a 3% improvement over the $32.8 million in the third quarter last year.

Net income per share fell, however, to $1.68, 6% less than the $1.79 reported in the same period in 1983.

William L. Brown, chairman of the holding company, said in a statement that growth in net interest revenue and other operating income exceeded increases in operating expenses and the provision for credit losses.

Consolidated nonperforming loans and leases decreased to $514 million, or 3.7% of loans and leases, as of Sept. 30, compared with $522 million, or 3.8% of loans and leases, three months earlier. The figure stood at $312 million, or 2.8% of loans and leases, on Sept. 30, 1983.

The improvement from June 30 resulted from a decrease in international loans on nonaccrual status, including a reduction in nonperforming Argentine private-sector loans, the statement said. Argentine nonaccrual loans totaled $56 million as of Sept. 30, down from $75 million as of June 30.

Increases in domestic loan volume helped boost fully taxable equivalent net interest revenue by 9% to $184.2 million, compared with $169.6 million for the same period in 1983.

The company set aside $16 million for credit losses in the third quarter, up from $13.5 million in the 1983 period. The company attributed the higher provision to the higher level of loans outstanding during the period.

Net credit losses for the quarter were $12.1 million, down from $12.4 million in the same period last year. The reserve for credit losses was $153 million as of Sept. 30, or 1.1% of outstanding loans and leases.

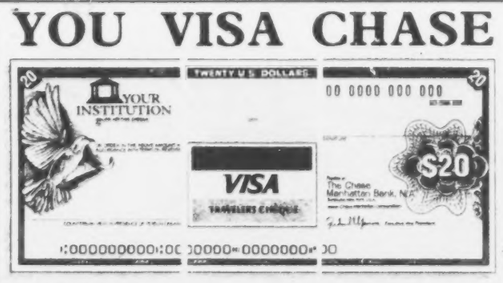
A $9 million increase in financial service fees in the third quarter helped boost noninterest income by 22% over the year-earlier period to $79.3 million.

Noninterest Expense Rises

Noninterest expenses totaled $178.2 million in the third quarter, a 15% increase over the same period last year but essentially unchanged from the second quarter. The company attribut-

➡ Boston: Page 14

YOU VISA CHASE



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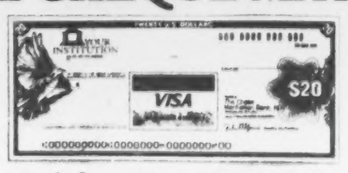

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A Guide to On-Line Securities Brokers

Name of broker	System	No. of On-Line Accts.	Commissions: 100 Shares	Commissions: $30 Stock 1,000 Shares	Commissions: Min.	Clear Through	Hours of Operation, Connect charges	Get stock Prices?	Call up Portfolio	Real Time?	Order Handling (Ticket written, (message rekeyed, or switched?)
Max Ule division, Rosen-krantz, Ehrenkrantz, Lyon & Ross Inc. (May 1982)	Tickerscreen	600	43.12	199.96	$30	Rothschild	5 p.m. to 9 a.m. weekdays, all day weekends, holidays. No connect charges direct, only via CompuServe	Yes	No	No	Written
C.D. Anderson & Co., San Francisco (July 1983)	TradePlus	500	37.80	135.00	$30	Broadcort Securities Corp.	Round the clock. $15/month for one hour. Then $24/hour 7 a.m. to 6 p.m. on business days, $6/hour other times.	Yes	Yes	Yes	Rekeyed
North American Investment Corp., East Hartford, Ct. (Nov. 1983)	Own	300	37.19	185.00	$35	Pershing	Round the clock via Delphi, at $16 hour 8 a.m. to 6 p.m. business days, $6/hour other times.	Yes	No	Yes	Rekeyed
Fidelity Brokerage Services, Boston (March 1984)	TradePlus	N.A.	40.00	139.00	$30	Self	Round the clock. $15/month for one hour. Then $24/hour 7 a.m. to 6 p.m. on business days, $6/hour other days	Yes	Yes	Yes	Rekeyed
Unified Management Corp., Indianapolis (April 1984)	Unisave	260	30.00	100.00	$30	Self	Round the clock. Connect charge for research only	Yes	Yes	No	Switched
Security Pacific Brokers Inc., Los Angeles (July 1984)	Wilshire Associates	200	45.00	155	$35	Self	Round the clock. $30/hour 6 a.m. to 2 p.m. Pacific time business days, $20/hour 2 p.m. to 10 p.m. business days, $10/hour other times	Yes	Yes	Yes	Switched

On-Line . . .

Continued from Page 3

In the other adjustment, C.D. Anderson & Co., San Francisco, the first TradePlus broker, reduced the entry fee charged new on-line customers from $95 to $50, a cut that brings its fee in line with those of Fidelity and Security Pacific Brokers.

In a service enhancement due shortly, Fidelity will introduce order switching. In this, an on-line customer fills in an electronic order on his computer screen and sends it to the broker, who authenticates it and then, instead of rewriting or rekeying it, switches it directly to the appropriate market for execution.

Two on-line brokers now use switching to handle orders — Unified Management Corp., Indianapolis, and Security Pacific Brokers. The method saves time and reduces errors.

Fidelity is making final tests on order switching, Mr. Kobren said. At the time it converts to switching, he added, Fidelity on-line customers also will be able to get money market mutual fund balances, positions in their brokerage accounts, and their margin buying power.

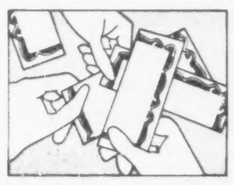
"You also will be able to put up as many Fidelity brokerage accounts as you have under one master account," he said. "We think that will be of great benefit to investment advisers."

He said advisers represent less than 15% of the Fidelity on-line clientele now but that many others would use the service if it had such a subaccounting feature.

Fidelity furnishes discount brokerage for the customers of more than 100 of the 300 largest banks, Mr. Kobren said, plus hundreds of smaller institutions, many of them correspondents of the majors. The service is through National Financial Services, a subsidiary of Fidelity Brokerage Services.

A number of the banks have indicated an interest in the on-line program, Mr. Kobren said, and he expects a handful will introduce it by yearend.

"We now are working out technical details, which do not seem to be overwhelming," he said. ■



Capital Actions

Citicorp Issues $250 Million of Five-Year Notes

By MARK BASCH

Citicorp Monday issued $250 million of 12⅞% notes due Oct. 15, 1989, priced at 99.726% to yield 12.95%. The notes are taken from a shelf registration covering up to $2 billion of debt securities that the company filed on Feb. 17.

The notes are redeemable, at the company's option, at any time on or after Oct. 15, 1987, at 100% of their principal amount, together with accrued interest.

Citicorp intends to apply the net proceeds from the sale of the notes to its general funds to be used by its management for corporate purposes, principally to fund investments in, or extensions of credit to, banking and nonbanking subsidiaries.

Managers of the underwriting group are Salomon Brothers Inc., The First Boston Corp., Goldman, Sachs & Co., Shearson Lehman/American Express Inc., and Merrill Lynch Capital Markets.

■

First Interstate Bancorp Thursday issued $150 million of 12½% notes due Nov. 1, 1991, priced at 99.25% plus accrued interest from Oct. 25, 1984, to yield 12.66%. The offered notes will not be redeemable before Nov. 1, 1989, and thereafter they may be redeemed at 100% of their principal amount.

The net proceeds from the offered notes will be used for general corporate purposes. The First Boston Corp. and Goldman, Sachs & Co. are co-underwriters of this issue.

■

Manufacturers Hanover Trust Co. Tuesday issued 75 million British pounds (about $89.25 million) of 10-year floating rate notes, with an interest rate of 12.5 basis points above the three-month London interbank offered rate. The issue is callable after five years.

S.G. Warburg and Co. Ltd. is the lead manager, and Manufacturers Hanover Ltd. and Chemical Bank are co-lead managers for the issue.

■

Empire Capital Corp., a newly formed, special-purpose finance subsidiary of Empire of America Federal Savings Bank of Buffalo, N.Y., Monday announced the public offering of 1.5 million shares of adjustable rate cumulative preferred stock at $50 per share.

Empire Capital was organized for the limited purpose of issuing the preferred stock and managing certain assets, and will receive from Empire a capital contribution of approximately $93 million.

The initial fixed dividend rate on the preferred stock from the date of issuance through Dec. 31 will be 10.5%. Thereafter, the dividend rate will be reset quarterly based on 98% of the bond equivalent of the three-month U.S. Treasury bill rate.

The preferred stock will be redeemed in whole by Empire Capital on Dec. 31, 1991, at a price of $50 per share. In addition, the preferred stock is redeemable at the option of the company on or after Dec. 31, 1989, and before Dec. 31, 1991, at a redemption price of $51.50 per share.

Morgan Stanley & Co. Inc. is manager of the underwriting group.

■

Westport Bancorp Inc. of Westport, Conn., filed a registration statement with the Securities and Exchange Commission Monday for a proposed offering of 325,000 shares of common stock.

Net proceeds of the offering will be used primarily to provide equity capital to the Westport Bank & Trust Co., the company's lone subsidiary, to support its future growth.

The offering will be made through an underwriting syndicate managed by Moseley, Hallgarten, Estabrook & Weeden Inc. ■

2 Ex-Managers Acquitted In Prudential Fraud Case

Special to the American Banker

NEW YORK — Two former executives in the credit department of Prudential Bache Securities Inc. have been acquitted of federal fraud charges growing out of an $18.9 million embezzlement from the brokerage house.

Joseph Pizzarelli, a former assistant credit division manager, and Celestino Melendez, former credit manager, were exonerated by a federal court jury last week after deliberating for less than an hour.

Eight men, including several other former Prudential Bache employees, have been charged or pleaded guilty to various fraud and conspiracy counts as a result of the two-year-long scheme.

Four of them testified for the prosecution during the three-week trial.

The defendants were accused of participating in the embezzlement scheme by helping Prudential Bache issue checks to companies that did not have accounts with the securities firm.

The checks were then laundered through various corporate bank accounts, the prosecution said, and the cash generated was split among the conspirators. ■